

THE PROGRESS OF B. C.—A FEW FACTS.

HOW THE REVENUE EXPANDS.

Year.	Revenue.	Expenditure.
1871 (6 months).....	\$ 191,819 67	\$ 97,691 81
1872	327,215 54	432,082 71
1873	370,150 38	372,618 64
1874	372,417 51	583,355 89
1875	351,240 92	614,658 89
1876	381,119 92	728,310 01
1877	408,348 29	685,046 34
1878	430,785 99	514,878 83
1879 (6 months).....	213,057 74	186,715 20
1879-80	390,907 91	446,574 99
1880-81	397,035 06	378,778 69
1881-82	405,583 49	474,428 23
1882-83	425,808 15	594,101 92
1883-84	503,173 71	590,629 02
1884-85	600,398 61	655,437 86
1885-86	514,719 52	772,211 35
1886-87	540,398 18	713,151 89
1887-88	608,678 94	745,975 76
1888-89	706,779 79	816,267 66
1889-90	845,522 66	911,408 16
1890-91	964,943 54	993,755 96
1891-92	1,038,237 95	1,370,431 69
1892-93	1,019,206 00	1,431,438 51
1893-94	821,660 55	1,514,405 10
1894-95	896,025 58	1,906,924 99
1895-96	989,765 22	1,614,723 62
1896-97	1,383,048 24	1,569,071 63

LOANS—INCREASING CREDIT.

Year.	Amount of Loan out-standing.	Rate of Inter-est.	Sold at	Redeemable.	Present price.	
					Offered.	Asked.
1874	\$ 20,000	7 %	Par.	May 1, 1899	Not on	sale.
1877	462,690	6 "	96	July 1, 1907	117	122
1887	381,210	4½ "	98½	" "	110	113
1891	2,139,141	3 "	86	" 1, 1941	103	105
1893	599,945	3 "	91	" "	103	105
1895	2,037,000	3 "	95	" "	103	105
1897	100,000	3½ "	Par.	" 1, 1907	Not on	sale.
	\$5,739,986					

3 %
Inscribed
Stock.

Liabilities of Province.....\$6,586,004 21
Assets " 2,301,989 43

Balance of Liabilities over Assets.....\$4,284,014 78

**Memo. of 3 per cent. Inscribed Stock issued for Cash since 1891, showing
the Discount and Expenses incident thereto, and the
Net Proceeds of each Loan.**

LOAN 1891—SOLD AT 86.

Amount issued for cash, £200,000 at 4.85\$ 970,000

Discount and Charges.

Discount, 14 %	\$135,800
Commission and charges on issue	26,483
Stamp duty on stock	6,031
	168,314

Net proceeds, $82\frac{3}{8}\%$ \$ 801,686

Interest on the net sum received, $3\frac{5}{8}\%$.

LOAN 1893—SOLD AT 91.

Amount issued for cash, £123,700 at \$4.85\$ 599,945

Discount and Charges.

Discount, 9 %	\$53,995
Commission and charges on issue	16,688
Stamp duty on stock	3,749
	74,432

Net proceeds, $87\frac{3}{8}\%$ \$ 525,513

Interest on net cash, $3\frac{7}{16}\%$.

LOAN 1895—SOLD AT 95.

Amount issued for cash, £420,000 at 4.85\$2,037,000

Discount and Charges.

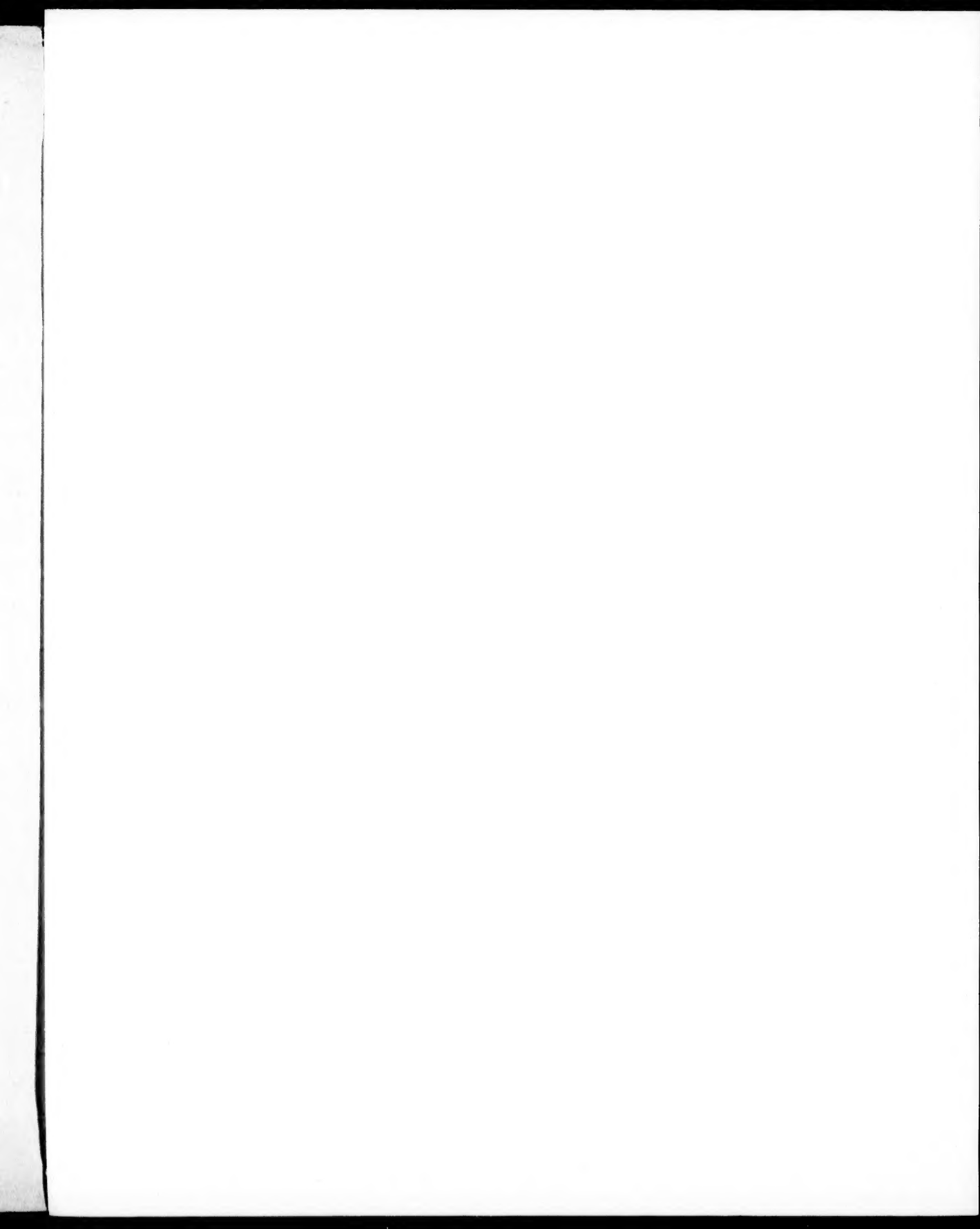
Discount, 5 %	\$101,850
Commission and charges on issue	53,247
Stamp duty on stock	12,731
	167,828

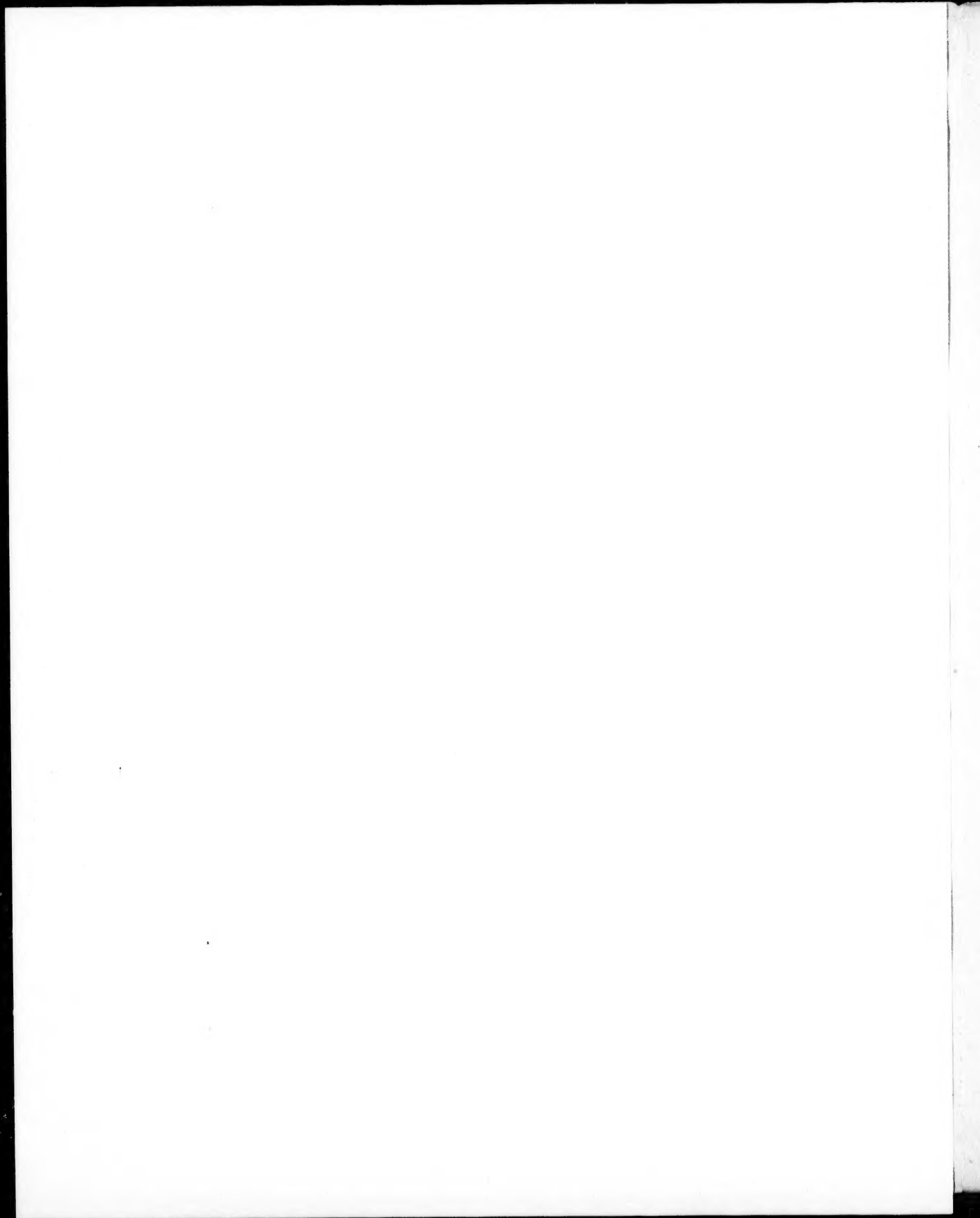
Net proceeds, $91\frac{7}{16}\%$ \$1,969,172

Interest just over $3\frac{1}{16}\%$.

Cost of floating loan just over $3\frac{3}{16}\%$, including all charges and underwriting.

The above statement of the various loans issued by the Province since the reconstruction and consolidation of the debt was decided upon, shows in itself the benefits of the system which has been adopted by the Government. It will be observed that in the loan of 1891 of \$970,000 the discount was \$135,800, which, by the way, has been represented as a loss to the Province. This conveys a very mistaken and imperfect knowledge of financial matters, inasmuch as it is supposed by some, who should know better, that the Province paid the \$135,800 in cash. This sum the Province does not pay at all. The Government issued stock for \$970,000 in full, payable in 50 years, and received in cash, less charges, \$801,686. The \$135,800 is the difference between the price at which the loan was sold and par, or 14 %; but this amount is provided for in a sinking fund, which pays off in 50 years both interest and principal. The Province pays interest on \$970,000 at 3 %, which on the net amount of \$801,686 is equivalent to $3\frac{5}{8}\%$. To have issued at par, in the old way, the Province would at that time have had to pay, in all probability, 4 % or more on the net amount, the transaction itself showing a saving of at least $\frac{3}{8}\%$.





The principal feature, however, to which attention is called is not in itself the saving of interest effected by the first loan, so much as the fact that a great advantage was obtained to the Province, in the first place, by having its debentures issued in inscribed stock, which gives them a place in the money market along with other colonial securities; but, in the second place, it secured an important advantage in reducing the basis of interest to 3%, and in following the history of subsequent loans we find that the effect is very appreciable, as comparison in the rates of discount will show. In 1895, on the net cash received, the interest amounts to only $3\frac{1}{10}\%$ per annum, as against $3\frac{3}{8}\%$ in 1891, the discount being lessened from 14% to 5%, and the cost of floating the loan in the latter case was only a shade over $3\frac{3}{10}\%$ including all charges and the cost of underwriting. It will be seen, therefore, that a more favourable basis was established for further operations in the money market. Not only that but the credit of the Province has steadily risen. British Columbia inscribed stock is now quoted at 103 and 104, as compared with 87 in 1891. Instead, therefore, of the Province being a loser by the system which has been adopted, it has been a very great gainer, not only by establishing the interest on a lower basis, but in steadily reducing the cost to the Province, and in raising the credit to a high financial plane.

Some fault has been found with the Government for paying a premium for the conversion of outstanding debentures into inscribed stock, but as has been shown by the Finance Minister in his budget speech, this was a consideration which appealed to the good judgment of financial men used to the operations of the stock market, and was recommended by the highest authorities in London. Readers are referred to the budget speech of the Finance Minister of 1898, to which a letter from the Financial Agents is appended. From a financier's point of view, it simply meant that the premium paid enabled the Province to place a sufficient sum of inscribed stock on the market to be bid for by the investing public in search of securities of a high and improved character. When that was effected, the Government ceased to convert the outstanding debentures, which are allowed to mature at the old rate. Henceforth, all future issues will be in inscribed stock, and the ultimate saving effected by the conversion will be annually very great, and places the Province in a position to borrow large sums of money necessary for development on a par with the Dominion of Canada or any other Colonies of the Empire. Those who have criticised the methods adopted by the Finance Minister simply demonstrate that their conceptions of finance were moulded in a school of petty parish politics, and their inability to understand the requirements of the money market.

Budget Speech, Provincial Legislature, 1894.

EXTRACT.—“There are some, however, who still say that it is better to borrow at a higher rate of interest and get par value. They say you get so much more money at the time; when at par, instead of receiving \$91, you receive \$100. We will briefly consider this matter once more. I have just shown that our 3% loan cost us really something under $3\frac{1}{2}\%$ interest; that is, we make ourselves liable for \$100 at the end of 50 years and we receive only \$91, 3% on \$100, including expenses, being under $3\frac{1}{2}\%$ on \$91; but in order to borrow at par we should have to pay at least $3\frac{3}{4}\%$ interest, and possibly more. Now, suppose a farmer wanted to borrow, say \$5,000, and we will assume that he could do so on the same terms that the Government does. In order to borrow at par, he would have to pay 4% interest and 1% sinking fund, which would amount to \$250 a year, whereas if he borrowed at the low rate of 3% and 1% sinking fund he would, at the rate of 91, in order to get net cash of \$5,000, have to make himself liable for \$5,495. His interest and sinking fund on this would amount to only \$219.80, thus showing an actual saving by the last method of \$30.60 per year, which would amount to a very handsome sum if compounded at 4% for 50 years; that is, he would borrow \$5,000 cash and give a note due in 50 years for \$5,495, and save \$30.60 annually. I feel certain, however, that this matter is very greatly misunderstood, and there are certain gentlemen who, I believe, do understand it who are trying to deceive the public.”

Revenue, 1896-97	\$1,383,048
" 1886-87	540,398
Increase, 253 per cent	<u>\$ 842,650</u>
Expenditure, 1896-97	\$1,569,071
Public Works	519,164
Expenditure less Public Works	1,049,907
Revenue	<u>1,383,048</u>
Balance excess of Expenditure	<u>\$ 333,141</u>

Allowing \$200,000 as ordinary expenditure on Public Works, it would leave a surplus of \$133,141 of Revenue over Expenditure for 1896-97.

EXPENDITURE ON PUBLIC WORKS IN TEN YEARS.

Year.	Education.	Roads, Streets, Bridges and Works.	Works and Buildings.	New Parliament Buildings.	
				Construction.	Furniture.
1887-88	\$ 95,374	\$171,393	\$ 42,354		
1888-89	103,145	151,558	71,187		
1889-90	122,985	204,982	151,752		
1890-91	136,901	181,170	121,260		
1891-92	160,627	308,634	102,985		
1892-93	190,558	282,945	146,279	\$ 72,845	
1893-94	169,050	262,478	140,570	55,954	
1894-95	189,037	425,629	101,296	191,868	
1895-96	204,930	238,225	82,252	257,903	
1896-97	220,810	276,081	39,354	168,809	\$11,587
	\$1,593,417	\$2,503,095	\$999,289	\$747,379	\$11,587

PUBLIC SCHOOLS SHOWING INCREASE.

Year.	Number of School Districts.	Aggregate Enrolment.	Average Daily Attendance.	Expenditure for Education.
1872-73	25	1,028	575	\$ 36,763 77
1873-74	37	1,245	767	35,287 59
1874-75	41	1,403	863	34,822 28
1875-76	41	1,685	984	44,506 11
1876-77	42	1,998	1,260	47,129 63
1877-78	45	2,198	1,395.50	43,334 01
1878-79 (Half-year)	45	2,301	1,315.90	22,110 70
1879-80	47	2,462	1,293.93	47,006 10
1880-81	48	2,571	1,366.86	46,960 69
1881-82	50	2,653	1,358.68	49,268 63
1882-83	59	2,693	1,383	50,850 63
1883-84	67	3,420	1,808.60	66,655 15
1884-85	76	4,027	2,089.74	71,151 52
1885-86	86	4,471	2,481.48	79,527 56
1886-87	95	5,345	2,873.38	88,521 08
1887-88	104	6,372	3,093.46	99,902 04
1888-89	109	6,796	3,681.14	108,190 59
1889-90	123	8,042	4,333.90	122,984 83
1890-91	141	9,260	5,134.91	136,901 73
1891-92	154	10,773	6,227.10	160,627 80
1892-93	169	11,496	7,111.40	190,558 33
1893-94	178	12,613	7,785.50	169,050 18
1894-95	183	13,482	8,610.31	189,037 25
1895-96	193	14,460	9,254.25	204,930 32
1896-97	199	15,798	9,999.61	220,810 38

IMPORTS.

	Value of Total Imports.	Goods entered, for Home Consumption.			
		Dutiable Goods.	Free Goods.	Total.	Duty Collected.
To 30th June, 1887	\$ 3,547,852	\$ 3,065,791	\$ 560,348	\$ 3,626,139	\$ 883,421 53
" 1888	3,509,951	2,674,941	729,266	3,401,207	861,465 14
" 1889	3,763,127	2,002,646	807,140	3,809,786	974,675 69
" 1890	4,379,272	3,357,111	1,030,375	4,287,486	1,075,215 20
" 1891	5,478,883	4,261,207	1,074,983	5,336,190	1,346,059 42
" 1892	6,495,589	4,423,414	1,803,005	6,226,419	1,412,878 00
" 1893	3,934,066	3,662,673	1,255,495	4,918,168	1,367,250 32
" 1894	5,320,615	3,582,333	1,738,282	5,336,961	1,308,631 23
" 1895	4,403,976	3,131,490	1,236,935	4,368,425	1,137,727 49
" 1896	5,563,095	3,993,650	1,532,840	5,526,490	1,406,931 91
" 1897	7,130,381	5,048,755	2,028,653	2,077,408	1,701,512 16

EXPORTS—HOW THEY SWELL.

From Province of British Columbia.

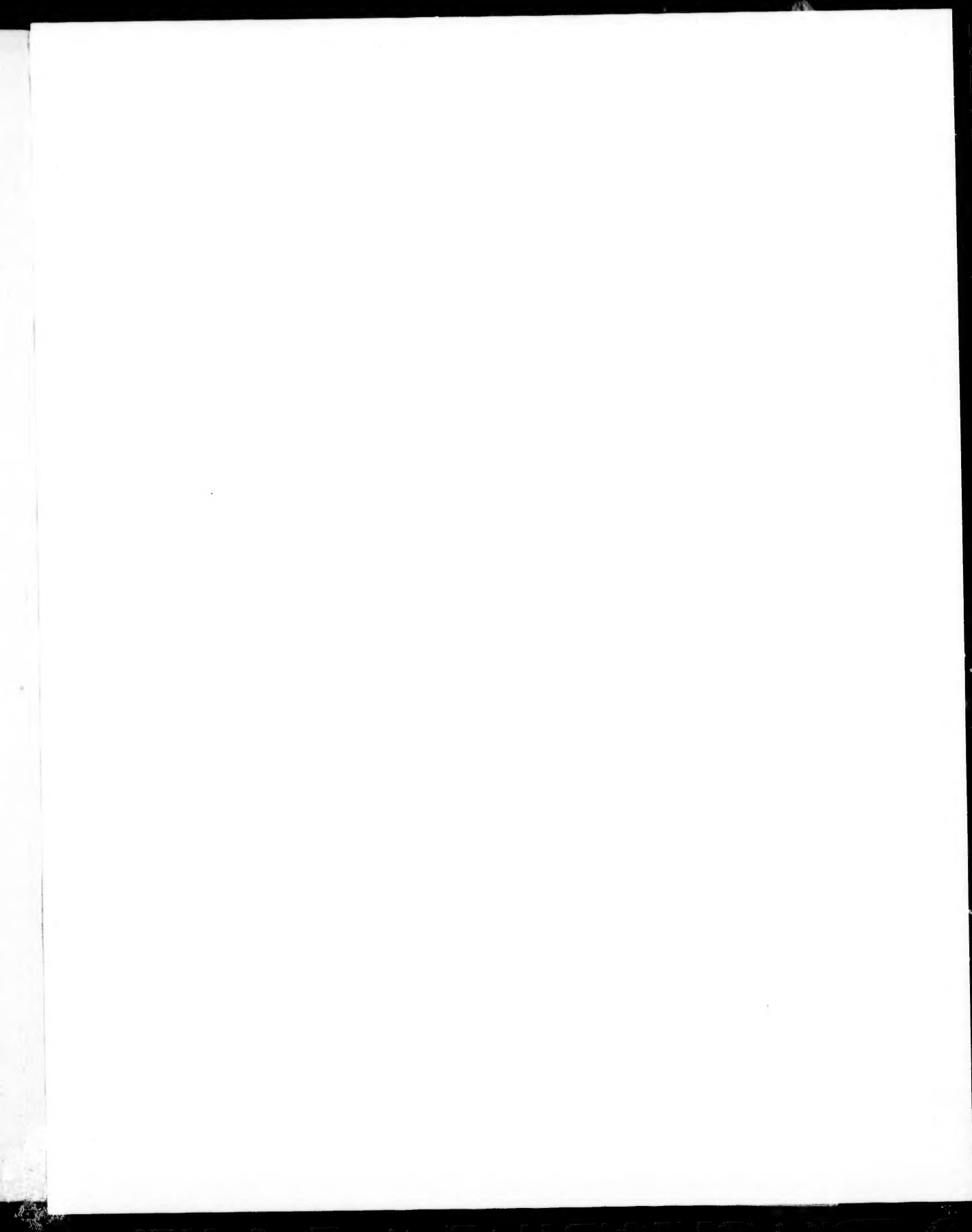
Year.	The Mine.	Fisheries.	Forest.	Animals and their produce.	Agricul- tural products.	Miscel- laneous.	Total.
	\$	\$	\$	\$	\$	\$	\$
1887	1,832,827	910,559	235,913	380,126	10,265	1,911	3,371,601
1888	1,889,805	1,164,019	441,957	318,839	27,631	85,826	3,928,077
1889	2,377,052	993,623	449,026	397,685	14,831	102,089	4,334,306
1890	2,375,770	2,374,717	325,881	346,159	9,323	113,271	5,545,221
1891	2,030,229	2,274,686	374,996	294,646	5,017	20,434	6,257,158
1892	2,979,470	2,351,083	425,278	390,584	25,018	31,976	6,574,989
1893	2,898,947	1,501,831	454,994	310,621	30,173	446,231	5,642,797
1894	3,521,543	3,541,305	411,623	149,269	23,323	196,895	7,843,958
1895	4,615,452	3,264,501	500,080	457,373	21,774	261,918	9,121,098
1896	5,763,253	3,288,776	685,746	438,864	61,414	338,471	10,576,524
1897	8,909,592	3,567,815	742,173	307,845	104,744	552,539	14,184,708

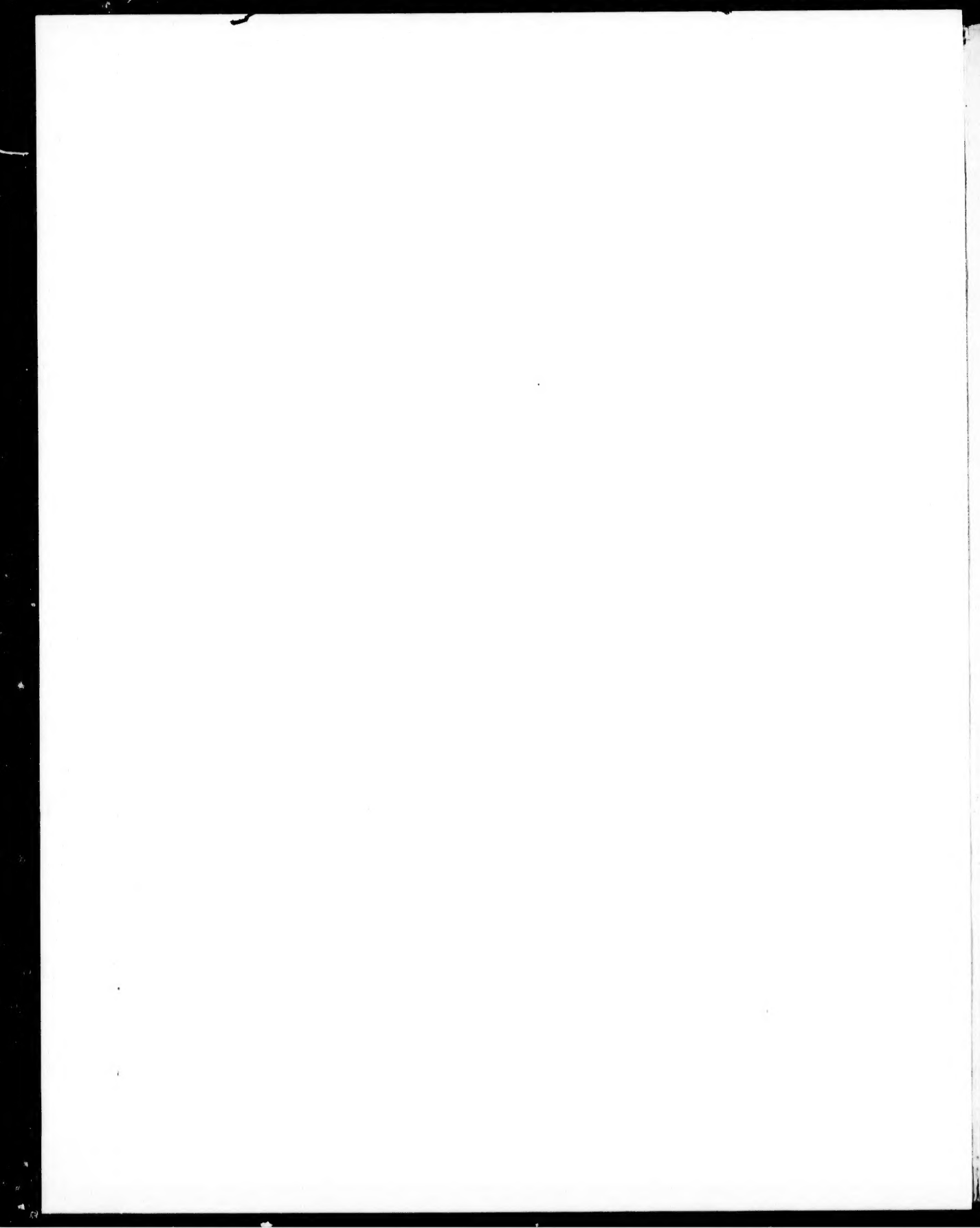
TABLES OF POPULATION.

	1881.	1891.	1896.
Number of miners	2,792	4,591	
" fishermen	1,850	3,798	
" farmers	2,381	5,874	
" houses	6,922	16,776	
Population	49,459	98,175	
Revenue	\$ 397,035	\$1,038,238	\$ 1,156,079
Value of fisheries	1,454,321	3,008,755	5,000,000
" exports	2,255,753	6,199,280	10,576,524
" imports	2,489,246	5,477,411	5,563,095

District.	Whites.		Chinese.		Indians.		Total.		1898.
	1881.	1891.	1881.	1891.	1881.	1891.	1881.	1891.	
New Westminster.	4,479	28,048	870	3,591	10,068	10,151	15,417	42,226	Estimated population of whites, 150,000.
Cariboo	1,403	1,550	1,344	1,151	4,803	3,037	7,550	5,519	
Yale	2,901	7,459	1,156	1,353	5,143	4,629	9,200	13,661	
Victoria	6,359	17,267	690	2,470	252	2,021	7,301	18,538	
Vancouver	4,306	11,203	290	821	5,395	3,419	9,991	18,229	
	19,448	65,527	4,350	9,386	25,661	23,257	49,459	98,173	

Total whites, 1871—New Westminster, 1,356; Cariboo, 1,955; Yale, 1,316; Victoria, 4,540; Vancouver, 1,419 = 10,568.





RAILWAYS.

Details.	Columbia and Kootenay, 28.50 miles.	C. P. R. 505.3 miles.	Esquimalt & Nanaimo, 78 miles.	Kaslo and Slocan, 31.80 miles.	Nakusp and Slocan, 36.90 miles.	Nelson & Ft. Sheppard, 59.40 miles.	Shuswap and Okanagan, 51 miles.	Victoria and Sidney, 16.26 miles.	B. C. Southern, 150 miles.	Red Mountain, 9.53 miles.
Ordinary Share Capital:										
Authorised	\$1,000,000		\$3,000,000	\$1,000,000	\$300,000	\$1,500,000	\$750,000	\$500,000		238,250
Subscribed	250,000		1,500,000	600,000	300,000	1,500,000	750,000	223,000		217,000
Paid up	25,000		1,350,000	600,000	30,000	1,500,000	750,000	110,500		195,300
Bonded Debt:										
Authorised	683,500			954,000	925,000	1,500,000	1,250,000	300,000	Under construction.	
Issued	683,500			600,000	647,074	1,500,000	1,250,000	300,000		
Sold	683,500			600,000	647,074	1,450,000	1,139,523	300,000		
Rate of interest	4			6	4	6		5		
Dominion Govt. Aid:										
Bonus	88,800		750,000		121,600		163,200		With Dominion subsidy, \$10,000 per mile, etc.	
Provincial Govt. Aid:		37,500			\$117,760 pd. up					
Municipal Aid:										
Bonus		37,500								
Total Capital:										
Subscribed	1,032,300		3,413,864.35	1,479,805	\$1,068,674	3,000,000	2,163,200	523,000		217,000
Paid up	807,300		3,263,864.35	1,479,805	794,834	2,950,000	2,052,723	410,500		195,300
Floating Debt:										
Amount			1,163,864.35	279,805.92	80,000			95,434.61		
Rate of interest			6	6	6					
Total cost of Railway and rolling stock.	772,471.07		2,960,465.74	778,816.49	655,250 Exclusive of rolling stock.	1,045,459.16	1,250,000	435,585.11		226,117
Also \$30,967.53 included in cost of C. P. R. B. C. land grant, 10,240 acres per mile.			B. C. land grant of 1,900,000 acres.	B. C. land grant, 10,240 acres per mile.	Province guarantee \$25,883 annual interest on bonds at 4%	B. C. land grant, 10,240 acres per mile.	Province guarantee \$50,000 annual interest on bonds at 4%	Province guarantee \$6,000 annual interest on bonds at 2%	B. C. land grant, 10,240 acres per mile.	
					Terminable 1st July, 1918; Principal payable 1918.		Terminable 1st July, 1915.	Terminable 1st Sept., 1917.		

GUARANTEE PAYMENTS ON RAILWAYS, 1896-97.

Shuswap and Okanagan	\$50,140
Sidney	6,107
Nakusp and Slocan	26,262
Total payments	<u>\$82,509</u>

RECEIPTS.

Shuswap and Okanagan	\$10,146
Nakusp and Slocan	18,484
	<u>28,630</u>
Balance paid out, 1896-97	\$53,879

LIST OF RAILWAYS CONSTRUCTED AND TO BE CONSTRUCTED DURING TEN YEARS FROM 1890 TO 1900.

	MILES.
Victoria and Sidney	18
Columbia and Kootenay	27
Robson and Trail	28
Nelson and Fort Sheppard	60
Kaslo and Slocan	31.8
Nakusp and Slocan	37
Red Mountain	9.8
New Westminster to Boundary	23
Mission to Boundary	10
Arrowhead to Revelstoke	27
Columbia Western	11
Columbia and Kootenay, Slocan Extension	31
Teslin Lake to the Coast	400
B. C. Southern	200
Penticton to Boundary	100
Robson to Boundary	80
English Bluff to Penticton	230
Bute Inlet to Quesnelle	230
Total	<u>1,553.6</u>

INFLUENCE OF RAILWAYS ON REVENUE IN KOOTENAY.

1887-88	\$ 26,425 08
1888-89	22,995 94
1889-90	48,939 82
1890-91	43,986 88
1891-92	67,465 49
1892-93	91,050 97
1893-94	67,923 64
1894-95	82,106 58
1895-96	140,842 28
1896-97	<u>348,804 03</u>
Total	\$940,540 71